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Agenda item 112
Review of the efficiency of the administrative and financial functioning of the United Nations

Draft resolution submitted by the Vice-Chairman following informal consultations

Procurement-related arbitration

The General Assembly,

Having considered the report of the Office of Internal Oversight Services on the review of procurement-related arbitration cases,[1]

1. *Expresses deep concern* about the increase of pending procurement-related arbitration claims instituted against the United Nations, which total 56 million United States dollars as at 19 March 1999;

2. *Requests* the Secretary-General to submit to it, for consideration at an early stage during its fifty-fourth session, a comprehensive report, taking into account the recommendations of the Office of Internal Oversight Services and the views expressed by Member States on the issue of arbitration, which should, *inter alia*, cover:

(a) The reasons for arbitration cases;

(b) The roles and mandates of various Secretariat structures and negotiating teams in arbitration and settlement processes;

(c) The sources of funding for arbitration awards and settlement payments;

(d) The selection of outside legal counsels and provisions to preclude conflict of interest;

(e) Disciplinary action taken against staff members responsible for wrongdoing that resulted in arbitration;

(f) Pending arbitration cases;

[1] A/53/843.

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(g) Measures taken or proposed in order to prevent or reduce contract disputes which might lead to arbitration in the future;

3. *Also requests* the Secretary-General, without prejudice to the obligations of the United Nations under the Arbitration Rules of the United Nations Commission on International Trade Law,[2] to keep Member States duly informed of all arbitration and settlement cases, *inter alia*, by clearly identifying such cases as separate items in corresponding financial performance reports and indicating corrective and disciplinary measures taken in this regard.

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[2] United Nations publication, Sales No. E.77.V.6.